

**Pt. 102–37, App. B**

**41 CFR Ch. 102 (7–1–12 Edition)**

*Eligible Recipients:* States, Commonwealths, or possessions of the United States; the District of Columbia; and not-for-profit or non-profit entities.

*Statute:* 10 U.S.C. 7541.

*Donor Agency:* Department of the Navy.

*Type of Property:* Obsolete material not needed for naval purposes.

*Eligible Recipients:* Sea scouts of the Boy Scouts of America; Naval Sea Cadet Corps; and the Young Marines of the Marine Corps League.

*Statute:* 10 U.S.C. 7545.

*Donor Agency:* Department of the Navy.

*Type of Property:* Captured, condemned, or obsolete ordnance material, books, manuscripts, works of art, drawings, plans, and models; other condemned or obsolete material, trophies, and flags; and other material of historic interest not needed by the Navy.

*Eligible Recipients:* States, territories, commonwealths, or possessions of the United

States, or political subdivisions or municipal corporations thereof; the District of Columbia; libraries; historical societies; educational institutions whose graduates or students fought in World War I or World War II; soldiers' monument associations; State museums; museums operated and maintained for educational purposes only, whose charter denies it the right to operate for profit; posts of the Veterans of Foreign Wars of the United States; American Legion posts; recognized war veterans' associations; or posts of the Sons of Veterans Reserve.

*Statute:* 14 U.S.C. 641(a).

*Donor Agency:* Coast Guard.

*Type of Property:* Obsolete or other material not needed for the Coast Guard.

*Eligible Recipients:* Coast Guard Auxiliary; sea scout service of the Boy Scouts of America; and public bodies or private organizations not organized for profit.

**APPENDIX B TO PART 102–37—ELEMENTS OF A STATE PLAN OF OPERATION**

The following is the information and assurances that must be included in a SASP's plan of operation:

**STATE PLAN REQUIREMENTS**

Regarding . . .	The plan must . . .
(a) Designation of a SASP .....	<p>(1) Name the State agency that will be responsible for administering the plan.</p> <p>(2) Describe the responsibilities vested in the agency which must include the authorities to acquire, warehouse and distribute surplus property to eligible donees, carry out other requirements of the State plan, and provide details concerning the organization of the agency, including supervision, staffing, structure, and physical facilities.</p> <p>(3) Indicate the organizational status of the agency within the State governmental structure and the title of the State official who directly supervises the State agent.</p>
(b) Operational authority .....	<p>Include copies of existing State statutes and/or executive orders relative to the operational authority of the SASP. Where express statutory authority does not exist or is ambiguous, or where authority exists by virtue of executive order, the plan must include also the opinion of the State's Attorney General regarding the existence of such authority.</p>
(c) Inventory control and accounting system.	<p>(1) Require the SASP to use a management control and accounting system that effectively governs the utilization, inventory control, accountability, and disposal of property.</p> <p>(2) Provide a detailed explanation of the inventory control and accounting system that the SASP will use.</p> <p>(3) Provide that property retained by the SASP to perform its functions be maintained on separate records from those of donable property.</p>
(d) Return of donated property .....	<p>(1) Require the SASP to provide for the return of donated property from the donee, at the donee's expense, if the property is still usable as determined by the SASP; and</p> <p>(i) The donee has not placed the property into use for the purpose for which it was donated within 1 year of donation; or</p> <p>(ii) The donee ceases to use the property within 1 year after placing it in use.</p> <p>(2) Specify that return of property can be accomplished by:</p> <p>(i) Physical return to the SASP facility, if required by the SASP.</p> <p>(ii) Retransfer directly to another donee, SASP, or Federal agency, as required by the SASP.</p> <p>(iii) Disposal (by sale or other means) as directed by the SASP.</p> <p>(3) Set forth procedures to accomplish property returns to the SASP, retransfers to other organizations, or disposition by sale, abandonment, or destruction.</p>
(e) Financing and service charges	<p>(1) Set forth the means and methods for financing the SASP. When the State authorizes the SASP to assess and collect service charges from participating donees to cover direct and reasonable indirect costs of its activities, the method of establishing the charges must be set forth in the plan.</p>

## STATE PLAN REQUIREMENTS—Continued

Regarding . . .	The plan must . . .
	<p>(2) Affirm that service charges, if assessed, are fair and equitable and based on services performed (or paid for) by the SASP, such as screening, packing, crating, removal, and transportation. When the SASP provides minimal services in connection with the acquisition of property, except for document processing and other administrative actions, the State plan must provide for minimal charges to be assessed in such cases and include the bases of computation.</p> <p>(3) Provide that property made available to nonprofit providers of assistance to homeless individuals be distributed at a nominal cost for care and handling of the property.</p> <p>(4) Set forth how funds accumulated from service charges, or from other sources such as sales or compliance proceeds are to be used for the operation of the SASP and the benefit of participating donees.</p> <p>(5) Affirm, if service charge funds are to be deposited or invested, that such deposits or investments are permitted by State law and set forth the types of depositories and/or investments contemplated.</p> <p>(6) Cite State authority to use service charges to acquire or improve SASP facilities and set forth disposition to be made of any financial assets realized upon the sale or other disposal of the facilities.</p> <p>(7) Indicate if the SASP intends to maintain a working capital reserve. If one is to be maintained, the plan should provide the provisions and limitations for it.</p> <p>(8) State if refunds of service charges are to be made to donees when there is an excess in the SASP's working capital reserve and provide details of how such refunds are to be made, such as a reduction in service charges or a cash refund, prorated in an equitable manner.</p>
(f) Terms and conditions on donated property.	<p>(1) Require the SASP to identify terms and conditions that will be imposed on the donee for any item of donated property with a unit acquisition cost of \$5,000 or more and any passenger motor vehicle.</p> <p>(2) Provide that the SASP may impose reasonable terms and conditions on the use of other donated property. If the SASP elects to impose additional terms and conditions, it should list them in the plan. If the SASP wishes to provide for amending, modifying, or releasing any terms or conditions it has elected to impose, it must state in the plan the standards it will use to grant such amendments, modifications or releases.</p> <p>(3) Provide that the SASP will impose on the donation of property, regardless of unit acquisition cost, such conditions involving special handling or use limitations as GSA may determine necessary because of the characteristics of the property.</p>
(g) Nonutilized or undistributed property.	<p>Provide that, subject to GSA approval, property in the possession of the SASP which donees in the State cannot use will be disposed of by:</p> <p>(1) Transfer to another SASP or Federal agency.</p> <p>(2) Sale.</p> <p>(3) Abandonment or destruction.</p> <p>(4) Other arrangements.</p>
(h) Fair and equitable distribution . . .	<p>(1) Provide that the SASP will make fair and equitable distribution of property to eligible donees in the State based on their relative needs and resources and ability to use the property.</p> <p>(2) Set forth the policies and detailed procedures for effecting a prompt, fair, and equitable distribution.</p> <p>(3) Require that the SASP, insofar as practicable, select property requested by eligible donees and, if requested by the donee, arrange for shipment of the property directly to the donee.</p>
(i) Eligibility .....	<p>(1) Set forth procedures for the SASP to determine the eligibility of applicants for the donation of surplus personal property.</p> <p>(2) Provide for donee eligibility records to include at a minimum:</p> <p>(i) Legal name and address of the donee.</p> <p>(ii) Status of the donee as a public agency or as an eligible nonprofit activity.</p> <p>(iii) Details on the scope of the donee's program.</p> <p>(iv) Proof of tax exemption under section 501 of the Internal Revenue Code if the donee is nonprofit.</p> <p>(v) Proof that the donee is approved, accredited, licensed, or meets any other legal requirement for operation of its program(s).</p> <p>(vi) Financial information.</p> <p>(vii) Written authorization by the donee's governing body or chief administrative officer designating at least one person to act for the donee in acquiring property.</p> <p>(viii) Assurance that the donee will comply with GSA's regulations on nondiscrimination.</p> <p>(ix) Types of property needed.</p>

## STATE PLAN REQUIREMENTS—Continued

Regarding . . .	The plan must . . .
(j) Compliance and utilization .....	<p>(1) Provide that the SASP conduct utilization reviews for donee compliance with the terms, conditions, reservations, and restrictions imposed by GSA and the SASP on property having a unit acquisition cost of \$5,000 or more and any passenger motor vehicle.</p> <p>(2) Provide for the reviews to include a survey of donee compliance with any special handling conditions or use limitations imposed on items of property by GSA.</p> <p>(3) Set forth the proposed frequency of such reviews and provide adequate assurances that the SASP will take effective action to correct noncompliance or otherwise enforce such terms, conditions, reservations, and restrictions.</p> <p>(4) Require the SASP to prepare reports on utilization reviews and compliance actions and provide assurance that the SASP will initiate appropriate investigations of alleged fraud in the acquisition of donated property or misuse of such property.</p>
(k) Consultation with advisory bodies and public and private groups.	<p>(1) Provide for consultation with advisory bodies and public and private groups which can assist the SASP in determining the relative needs and resources of donees, the proposed utilization of surplus property by eligible donees, and how distribution of surplus property can be effected to fill existing needs of donees.</p> <p>(2) Provide details of how the SASP will accomplish such consultation.</p>
(l) Audit .....	<p>(1) Provide for periodic internal audits of the operations and financial affairs of the SASP.</p> <p>(2) Provide for compliance with the external audit requirements of Office of Management and Budget Circular No. A–133, “Audits of States, Local Governments, and Non-Profit Organizations” (available at <a href="http://www.whitehouse.gov/OMB">www.whitehouse.gov/OMB</a>), and make provisions for the SASP to furnish GSA with:</p> <p>(i) Two copies of any audit report made pursuant to the Circular, or with two copies of those sections that pertain to the Federal donation program.</p> <p>(ii) An outline of all corrective actions and scheduled completion dates for the actions.</p> <p>(3) Provide for cooperation in GSA or Comptroller General conducted audits.</p>
(m) Cooperative agreements .....	<p>If the SASP wishes to enter into, renew, or revise cooperative agreements with GSA or other Federal agencies:</p> <p>(1) Affirm the SASP’s intentions to enter into cooperative agreements.</p> <p>(2) Cite the authority for entering into such agreements.</p>
(n) Liquidation .....	Provide for the SASP to submit a liquidation plan prior to termination of the SASP activities if the State decides to dissolve the SASP.
(o) Forms .....	Include copies of distribution documents used by the SASP.
(p) Records .....	<p>Affirm that all official records of the SASP will be retained for a minimum of 3 years, except that:</p> <p>(1) Records involving property subject to restrictions for more than 2 years must be kept 1 year beyond the specified period of restriction.</p> <p>(2) Records involving property with perpetual restriction must be retained in perpetuity.</p> <p>(3) Records involving property in noncompliance status must be retained for at least 1 year after the noncompliance case is closed.</p>

#### APPENDIX C TO PART 102–37—GLOSSARY OF TERMS FOR DETERMINING ELIGIBILITY OF PUBLIC AGENCIES AND NONPROFIT ORGANIZATIONS

The following is a glossary of terms for determining eligibility of public agencies and nonprofit organizations:

*Accreditation* means the status of public recognition that an accrediting agency grants to an institution or program that meets the agency’s standards and requirements.

*Accredited* means approval by a recognized accrediting board or association on a regional, State, or national level, such as a State board of education or health; the American Hospital Association; a regional or national accrediting association for univer-

sities, colleges, or secondary schools; or another recognized accrediting association.

*Approved* means recognition and approval by the State department of education, State department of health, or other appropriate authority where no recognized accrediting board, association, or other authority exists for the purpose of making an accreditation. For an educational institution or an educational program, approval must relate to academic or instructional standards established by the appropriate authority. For a public health institution or program, approval must relate to the medical requirements and standards for the professional and technical services of the institution established by the appropriate authority.

*Child care center* means a public or nonprofit facility where educational, social, health, and nutritional services are provided to children through age 14 (or as prescribed